Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)	
Unbundled Access to Network Elements)	WC Docket No. 04-313
Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange)	CC Docket No. 01-338
Carriers)	

REDACTED

AFFIDAVIT OF KAREN J. HARDIE

INTRODUCTION

- My name is Karen J. Hardie. My business address is 10 West Broad Street, 18th
 Floor, Columbus, Ohio 43215-3485. I am employed by the Office of the Ohio
 Consumers' Counsel ("OCC") as a Principal Regulatory Analyst. Since 1992, I have
 served as the OCC's Telecommunications Industry Team Leader.
- 2. I received an Associate degree in Accounting from Columbus Technical Institute (now known as Columbus State Community College) in June of 1978.
- 3. I have been with the OCC since August of 1981. I have worked closely with consultants and OCC staff in making detailed analyses of accounting issues in various rate cases and rulemaking proceedings. In addition, I direct and participate in

research and investigation of telephone companies' operations. Since 1992, I have specialized in telecommunications cases and projects. Attachment KJH-1 provides a list of cases in which I have filed testimony or affidavits.

SUMMARY

- 4. In response to the Federal Communication Commission's ("FCC") *Triennial Review Order* ("TRO")¹ the Public Utilities Commission of Ohio ("PUCO") initiated a proceeding (PUCO Case No. 03-2040-TP-COI or "03-2040") that addressed mass market local circuit switching. Only two Ohio incumbent local exchange carriers ("ILECs") -- SBC Ohio and Cincinnati Bell Telephone ("CBT") -- contested the FCC's impairment finding for mass market switching. In Phase 1 of the 03-2040 proceeding testimony was filed and hearings were held on how markets should be defined on a tentative basis. On January 14, 2004, the PUCO issued an Opinion and Order tentatively deciding that markets should be defined as clusters of wire centers, and designating markets for SBC Ohio and CBT.²
- 5. Also in its January 14 Opinion and Order, the PUCO decided to bifurcate its mass market impairment analysis. SBC Ohio's mass market impairment analysis, including the examination of its batch hot cut process, would be conducted in Case

¹ In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket No. 01-338; In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98; In the Matter of the Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147, Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, Released August 21, 2003.

² January 14, 2004 Opinion and Order available at http://dis.puc.state.oh.us/CMPDFs/SIY7\$JQHWDI6IL\$W.pdf.

No. 04-34-TP-COI. CBT's impairment analysis, including the examination of its batch hot cut process, would be conducted in Case No. 04-35-TP-COI ("04-35").³ These proceedings applied the PUCO's tentative definition of markets to SBC Ohio and CBT.

- The PUCO tentatively identified seven markets for CBT. See PUCO January 14,
 2004 Opinion and Order, Attachment B for a listing of wire centers included in each market.
- 7. As discussed in more detail elsewhere in my affidavit, CBT challenged the FCC's national finding of impairment in PUCO markets 1, 2 and 4.

PURPOSE OF AFFIDAVIT

- 8. On February 26, 2004, I filed testimony in CBT's 04-35 proceeding.
- 9. In preparation for my testimony, I reviewed CBT's filings in Cases 03-2040 and 04-35, and discovery responses in these cases, including the competitive local exchange carriers ("CLECs") responses to the PUCO Staff's Information Request in 03-2040. I was present at the depositions of CBT's witnesses Maggard and Darby. I also attended the hearings for the first phase of 03-2040. I reviewed relevant portions of the TRO.
- 10. My affidavit presents the findings of my research of the record in both the 03-2040 and 04-35 proceedings and incorporates my testimony in the 04-35 case.

³ In the Matter of the Implementation of The Federal Communications Commission's Triennial Review Regarding Local Circuit Switching in Cincinnati Bell Telephone Company's Mass Market, Case No. 04-35-TP-COI, dated February 26, 2004.

Specifically, I address the competitive environment (or, more accurately, the lack thereof) in CBT's service territory; whether there are any CLECs providing their own switching in CBT territory; and whether any such CLECs are appropriate to include when applying the FCC's "triggers" test. I also address some of the inputs and assumptions contained in the potential deployment model presented by CBT witness Darby.

11. I conclude that none of the CLECs that CBT identified as self-providing switching in CBT's wire centers meet the test for the mass market triggers. Further, CBT witness Darby's potential deployment model is so sensitive to the underlying assumptions that it is unreliable and cannot demonstrate that any of the markets where CBT sought a finding of non-impairment meets a reasonable potential deployment test. Thus, the FCC's finding of impairment for unbundled mass market switching should stand in all of CBT's wire centers, because neither the triggers test nor the potential deployment test can be satisfied. The absence of actual competition in CBT territory is, as the FCC indicated, the best evidence of impairment.⁴

THE COMPETITIVE ENVIRONMENT IN CBT'S SERVICE TERRITORY

12. CBT sought a finding of no impairment for mass market local switching in CBT's proposed three markets.⁵ CBT ultimately challenged the FCC impairment finding based solely on the potential deployment test, rather than the triggers test. As will be

⁴ TRO at ¶ 93-94 and footnote 1365.

⁵ CBT witness Maggard November 12, 2003 testimony at page 6.

shown below, neither of the two triggers set forth in the TRO can be met in any of CBT's proposed markets.

- 13. CBT originally proposed that its service territory be broken into three separate geographical markets. CBT stated that Market 1 (containing 28 central offices) had at least three CLECs serving mass market customers using their own switches.

 Proposed Market 2 consisted of six central offices that CBT stated did not have at least three CLECs serving mass market customers using their own switch; however, five of these six offices did have at least one CLEC serving mass market customers using their own switch. CBT's proposed Market 3 was comprised of seven central offices in which no CLECs were serving mass market customers with their own switch (CBT noted that in one central office one CLEC was providing switching to one mass market customer).
- 14. CBT revised, amended and modified information that it provided in both the 03-2040 and 04-35 proceedings. First, in 03-2040 CBT witness Maggard's original testimony stated that there were at least three CLECs using their own switches to serve mass market customers in proposed Market 1.⁷ Later, CBT submitted amended testimony in which wire centers were re-assigned to individual proposed markets because CBT had initially performed a mechanical report using a computer program, but subsequently manually separated enterprise and mass market customers.⁸ This

⁶ CBT witness Maggard's Amended Prefiled Direct Testimony (filed November 28, 2003) in 03-2040.

⁷ CBT witness Maggard's Prefiled Direct Testimony (filed November 12, 2003) in 03-2040.

⁸ Hearing Transcript Vol. I at page 31 in 03-2040.

amendment reduced the number of wire centers that allegedly met the triggers from 28 to 14 in CBT's proposed Market 1 and increased the number of central offices in CBT's proposed Market 2 from six to twenty. Additionally, CBT witness Maggard's amended testimony stated that CLECs were providing their own local switching to mass market customers:

- in all but two of the central offices included in CBT's proposed
 Markets 1 and 2;
- in six central offices, four CLECs were providing their own local switching to mass market customers in proposed Market 1; and
- 18 of the 20 offices had at least one CLEC serving mass market customers using their own switch in proposed Market 2.9
- 15. As shown in Table 1 below, CBT's information provided in responses to OCC's discovery in the 04-35 proceeding is very different from that in CBT witness Maggard's testimony¹⁰ -- in only *** *** wire centers (out of a total of 34) does CBT indicate that there are the same number of CLECs serving mass market customers using self-provided switching as presented in CBT witness Maggard's amended testimony. Furthermore, as seen in Schedule KJH-2, these statements are also incorrect when applied to the markets tentatively established by the PUCO.

⁹ CBT witness Maggard's Amended Prefiled Direct Testimony (filed November 28, 2003) in 03-2040.

¹⁰ CBT's response to OCC Interrogatory No. 1, 1st Set.

- 16. In the 04-35 proceeding, CBT initially claimed that one CLEC was self-providing switching to mass market customers in CBT's territory. However, based on follow-up discovery by OCC, CBT discovered that this company was not self-providing switching to mass market customers. 12
- 17. These changes in position and inconsistent data and information cast a distinct light of uncertainty on CBT's statements and positions.

TABLE 1

CBT PROPOSED MARKET 1				
ebi inoroseb	# of mass market CLECs using			
	self-provided switching			
Wire center	CBT Ex. 1, Att.	CBT discovery		
	1 [Maggard]	response		
Avondale	2	*** ***		
Cherry Grove	2	*** ***		
Cheviot	1	*** ***		
Covedale	3	*** ***		
Crescentville	4	*** ***		
Evendale	4	*** ***		
Fairfield	2	*** ***		
Glendale	4	*** ***		
Groesbeck	2	*** ***		
Hartwell	2	*** ***		
Hyde Park	1	*** ***		
Madisonville	3	*** ***		
Montgomery	4	*** ***		
Mount Healthy	2	*** ***		
Mt. Washington	3	*** ***		
North Greenhills	1	*** ***		
Northside	2	*** ***		
Norwood	3	*** ***		
Price Hill	2	*** ***		

¹¹ Id.

¹² CBT's response to OCC Interrogatory No. 2, 2nd Set.

Rossmoyne	4	*** ***
St. Bernard	2	*** ***
West 7 th	4	*** ***
Westwood	1	*** ***

CBT PROPOSED MARKET 2				
	# of mass market CLECs using			
	self-provide	ed switching		
Wire center	CBT Ex. 1, Att.	CBT discovery		
	1 [Maggard]	response		
Batavia	3	*** ***		
Goshen	0	*** ***		
Hamlet	0	*** ***		
Loveland	3	*** ***		
Milford	2	*** ***		
Tobasco	3	*** ***		

CBT PROPOSED MARKET 3				
# of mass market CLECs using				
	self-provide	self-provided switching		
Wire center	CBT Ex. 1, Att. CBT discove			
	1 [Maggard]	response		
Harrison	1	*** ***		
Miami	1	*** ***		
Sayler Park	2	*** ***		

CBT PROPOSED MARKET 4				
# of mass market CLECs using				
	self-provided switching			
Wire center	CBT Ex. 1, Att. CBT discovery			
	1 [Maggard]	response		
Hamilton	3	*** ***		
West Chester	2	*** ***		

THE COMPETITIVE ANALYSIS CONTAINED IN THE TRO

18. The FCC adopted the triggers as a "principal mechanism for use by states in evaluating whether requesting carriers are in fact not impaired in a particular

market."¹³ The triggers are met by multiple CLECs actually using their own switches to serve mass market customers, or providing a wholesale switching service.

- 19. Under the self-provisioning trigger, a state was to find "no impairment" when three or more unaffiliated competing carriers are serving mass market customers in a particular market with their own switches.¹⁴
- 20. Under the competitive wholesale facilities trigger, a state was to find "no impairment" when two or more competing carriers, not affiliated with each other or the incumbent LEC, offer wholesale switching service for that market using their own switches.¹⁵
- 21. The TRO correctly stated that the strongest evidence of competition is actual deployment.

We agree with commenters that argue that actual marketplace evidence is the most persuasive and useful kind of evidence submitted ... [T]his kind of evidence demonstrates better than any other kind what business decisions actual market participants have made regarding whether it is feasible to provide service without relying on the incumbent LEC. Specifically, this evidence shows us whether *new entrants*, as a practical matter, have surmounted barriers to entry in the relevant market.¹⁶

¹³ TRO at ¶ 498.

¹⁴ Id. at ¶ 501.

¹⁵ Id. at ¶ 504.

¹⁶ Id. at ¶ 93 (emphasis in original; footnotes omitted); see also ¶ 435 ("[a]s indicated above, evidence of self-deployment is the best indicator of whether competitive LECs have been able to overcome barriers to entry with respect to facilities deployment."); see also ¶ 506 ("[w]e have found that actual competitive deployment is the best indicator that requesting carriers are not impaired...").

THE TRIGGERS CANNOT BE MET IN CBT'S MARKETS

- 22. CBT's response to OCC's 1st Set of data requests indicates that *** *** are providing service to mass market customers using their own switching facilities in CBT's markets. In response to OCC's follow-up discovery in the 2nd Set of data requests, CBT withdrew one of the CLECs as providing switching services for mass market customers. CBT stated that "Upon further review, CBT concurs with *** *** that these lines would not qualify as mass market lines." Schedule KJH-2 to my testimony provides information about the *** ***.
- 23. As can be seen, even according to CBT, at the time of the discovery response, no residential customers were being served by these CLECs and *** *** small business customers were being served by these CLECs.***¹⁷***
- 24. Additionally, in responses to data requests, ***¹⁸*** stated that it was not providing service to mass market customers using its own switching facilities. ***¹⁹***
- 25. I conclude that at most only one CLEC was serving mass market customers anywhere in CBT's markets through self-provided switching, and thus, the FCC's self-provided switching trigger cannot be met.
- 26. I did not see any statements or responses that asserted that any CLEC was offering wholesale switching service in any of CBT's markets. Thus, the second trigger cannot be met.

17	***	***		
18	***	***		

19 *** ***

27. Finally, CBT stated that there were no UNE-P customers in CBT's markets.²⁰

POTENTIAL DEPLOYMENT ANALYSIS

- 28. The FCC directed the states to conduct further analysis to determine whether the market in question is suitable for "multiple, competitive supply." This analysis has become known as the "potential deployment" test. The TRO directed the states to consider three types of evidence: whether competitors are actually using their own switches to serve enterprise or mass market customers in the market at issue; the role of potential operational barriers in making entry uneconomic for competitive LECs; and the role of potential economic barriers associated with the use of competitive switching facilities. Analyzing these factors together, state commissions were to determine whether, in any particular market or markets, it was appropriate to find "no impairment."
- 29. Regarding the first type of evidence, CBT made no attempt to present evidence of CLECs using their own switches. As I show above, competitors were using their own switches to serve mass market customers in the markets at issue on a minimal basis.
- 30. Regarding potential operational barriers, CBT witness Maxwell's testimony attempted to show that there were no potential operational barriers that made entry uneconomic for competitive LECs. I did not analyze CBT witness Maxwell's

²⁰ Deposition transcript of CBT witness Maggard (November 24, 2003) at pages 20, lines 13-22.

²¹ TRO at ¶ 506.

²² Id. at ¶ 507.

testimony to any great extent and have no opinion as to whether CBT had indeed made a sufficient showing that there were no potential operational barriers in CBT's territory.

- 31. Finally, CBT witness Darby attempted to prove that there were no economic barriers associated with the potential use of competitive switching facilities.
- 32. CBT witness Darby modeled a CLEC that was "executing, or plans to execute, a strategy that embraces multiple geographic and product line markets. The costs of serving mass market customers in relevant markets in CBT territory ... are for the model CLEC a combination of common costs of facilities, programs and management shared with other geographic markets; with other types of services; and, with other types of customers." CBT witness Darby also asserted that an efficient CLEC would very likely be large enough to address customers in several wire centers in several Metropolitan Statistical Areas. ²⁴
- 33. Elsewhere, CBT witness Darby stated that he did not believe that a CLEC would choose to offer mass market service in Cincinnati as a stand-alone enterprise.²⁵
- 34. If the economic case were reasonable for competition for mass market customers in CBT territory, some CLEC would have attempted it. As shown in my affidavit, no CLEC has entered CBT's territory to provide service to mass market customers using either self-provided switching or unbundled network elements. The absence of actual

²³ CBT witness Darby testimony (filed February 3, 2004 in 04-35) at page 34, lines 3-8.

²⁴ Id. at page 20, lines 17-18.

²⁵ Id. at Attachment 2, page 11 at Section II.E. Observations.

- competition in CBT territory is, as the FCC indicated, the best evidence of impairment.
- 35. The implication is that there is little potential for competition in CBT's territory or else there would have been a greater level of competitive entry. In other words, reality disproves CBT witness Darby's principal theory that there are no economic barriers preventing competition in CBT territory.
- 36. If this Commission finds that CLECs are not impaired in CBT's markets, it will be closing the door to competition and CBT's customers will never have the freedom to choose their local telephone provider.

MODIFICATIONS TO CBT WITNESS DARBY'S MODEL

- 37. CBT witness Darby presented network architecture and business case models. CBT witness Darby stated that these models showed that CLECs were not impaired in PUCO Markets 1, 2 and 4 since the models produced a positive net present value ("NPV"). However, the models indicated that CLECs would be impaired in PUCO Market 3 since it generated a negative NPV. ²⁶
- 38. CBT witness Darby did not present the results for PUCO Markets 5, 6 or 7.

 Therefore, if CBT witness Darby did model those markets and the results showed no impairment he would have included those in his testimony. Thus, I assume that there is impairment in PUCO Markets 5, 6 and 7.

²⁶ CBT witness Darby testimony (filed February 3, 2004) in 04-35.

- 39. Key inputs for these models included using 15 years to calculate the net present value; various network costs such as the cost of an unbundled loop, backhaul costs, multiplexing costs and switching costs; operational costs; the cost of capital and discount rate; estimated customer churn; estimated total CLEC revenue and estimated market penetration.
- 40. CBT witness Darby's models are sensitive to changes in inputs and assumptions. In some cases, a very minor change to an assumption produces drastically different net present value results. I will describe how modifying just one assumption changes the results of the models.
- 41. In order to test the sensitivity of CBT's models, the OCC ran the models using different input values. The changes that OCC proposed in the 04-35 case were:
 - Changing the discount rate from CBT's proposed 13% to 17%.
 - Changing the time period for the NPV analysis from 15 years to 5, 7 or 10 years.
 - Changing the CLEC mass market monthly revenue from CBT's proposed \$50 to \$45.
 - Changing the market share growth percentage (CLEC penetration) from CBT's proposed 5% over 5 years to 3% over 5 years.
- 42. Schedule KJH-1 shows the net present value for all four markets with a 5, 7 or 10 year NPV valuation period for: 1) 3% per year market share over five years, 2) \$45 monthly revenue amount, and 3) changing the discount rate from 13% to 17%. This combination of changes results in negative NPV amounts for all four markets.

43. Given the sensitivity of the results of the model to modest changes in the inputs, it appears that, contrary to CBT witness Darby's testimony, CLECs are impaired without access to unbundled local switching for the mass market in all four of the markets that were contested by CBT.

NET PRESENT VALUE INPUT

- 44. In deposition CBT witness Darby stated that if the NPV is used to measure impairment and if the NPV is less than zero, then there is impairment.²⁷ Thus, any negative NPV result indicates impairment.
- 45. Leaving the other inputs the same and only changing the 15 year time period for calculating the NPV produces the following results:

TABLE 2

	NET PRESENT VALUE			
	5 year time frame	7 year time frame	10 year time frame	15 year time frame
Market 1	\$414,662	\$3,669,710	\$7,264,812	\$10,952,845
Market 2	(534,488)	(173,584)	224,176	630,700
Market 3	(345,294)	(313,318)	(278,467)	(243,547)
Market 4	(386,775)	(24,472)	374,974	783,481

46. A shorter timeframe should be used as an input into the model. Apparently CBT witness Darby would not disagree. In deposition, CBT witness Darby stated that his model assigned minimal value to years 10-15 and that there is "nothing special about 15 years."²⁸

²⁷ Deposition transcript of CBT witness Darby (February 20, 2004) at 161.

²⁸ Id. at pages 141 and 144.

47. A reasonable time period would reflect a 5, 7 or 10 year time horizon, especially since CBT itself used a 3-year period for calculating NPV for discretionary spending projects.²⁹ Given today's economic environment and that the telecommunications industry is only beginning to be hopeful that recovery has begun from the meltdown that occurred in 2000, it is unlikely that a CLEC would be using a 15 year planning period as the key decision for competitive entry. CBT witness Darby stated that a CLEC would find it difficult to raise capital funds.³⁰ With such prospects, a CLEC would want to be conservative in determining how long it would take to recover such an investment. That indicates that a CLEC would use a shorter planning time frame, such as 5, 7 or 10 years, for making any deployment decision.

CLEC REVENUES

- 48. CBT's models used \$50 as the monthly revenue that a CLEC would receive from each mass market customer that it "won" from CBT.
- 49. If the monthly mass market revenue is lowered by just \$5 (or 10%) to \$45 and leaving the other inputs the same, only one out of the four markets would have a positive NPV result.

TABLE 3

	CBT NPV	OCC NPV
	\$50 Monthly Revenue	\$45 Monthly Revenue
Market 1	\$10,952,845	\$4,241,829

²⁹ CBT response to OCC Interrogatory No. 7, 3rd Set.

³⁰ Id. at pages 17-18.

Market 2	630,700	(545,109)
Market 3	(243,547)	(546,359)
Market 4	783,481	(323,094)

CLEC MARKET PENETRATION

- 50. CBT witness Darby's model assumed that the model CLEC is able to gain 1% market share per year for five years, for a total of 5% market share.
- 51. Given the lack of competition in CBT's territory to date, it is not unreasonable to conclude that the model CLEC would not be able to achieve that level of penetration. For instance, at deposition, CBT witness Darby could not present the name of any CLEC that has been able to capture 1% of the mass market for five consecutive years.³¹ It is unrealistic to conclude that the model CLEC can accomplish what no other CLEC operating in the real world has been able to do.
- 52. As shown below, using a 3% market penetration rate over 5 years results in negative NPV values for two of the four CBT markets.

TABLE 4

	CBT 5% Market	OCC 3% Market
	Share NPV	Share NPV
Market 1	\$10,952,845	\$5,568,900
Market 2	630,700	(120,914)
Market 3	(243,547)	(302,522)
Market 4	783,481	36,447

WEIGHTED AVERAGE COST OF CAPITAL

³¹ Id. at page 134.

- 53. CBT's model used a 13% weighted average cost of capital ("WACC"). However, CBT's model did not include corporate income taxes. Excluding this expense results in a lower cost of capital than if these taxes had been included.
- 54. In 04-35, the OCC reran CBT's model to reflect a 17% cost of capital since this is closer to a WACC that a CLEC would likely have. Using a 17% cost of capital, holding the rest of the model static, provided the following results.

TABLE 5

	CBT NPV	OCC NPV 17%
	13% WACC	WACC
Market 1	\$10,952,845	\$7,711,410
Market 2	630,700	310,190
Market 3	(243,547)	(254,390)
Market 4	783,481	451,365

CONCLUSION

- 55. As I have shown above, there is almost no actual competitive deployment for mass market customers in CBT's markets. Thus, none of CBT's contested markets meet the FCC's preferred test (actual deployment of switches by CLECs) for a finding of "no impairment." The level of competition in CBT's markets fails to satisfy either of the two trigger tests.
- 56. Further, CBT witness Darby's potential deployment model is deficient since it is very sensitive to even minor changes in inputs and assumptions. Thus, it cannot be used to show that CLECs serving mass market customers in any of the four contested markets would not be impaired without access to CBT's switching facilities.

57. Since neither the triggers test nor the potential deployment test can be satisfied, there should be a finding of impairment for mass market customers (including residential customers) in all of CBT's wire centers.

Schedule KJH-1

CBT CLEC Impairment Model Combined Results

PUCO MARKET 1			
Years	5	7	10
Access Lines	3% Mkt Share	3% Mkt Share	3% Mkt Share
Monthly Revenue per Access Line	\$45.00	\$45.00	\$45.00
Weighted Average Cost of Capital	0.17	0.17	0.17
Net Present Value	(\$1,731,675)	(\$911,336)	(\$81,802)
PUCO MARKET 2			
Years	5	7	10
Access Lines	3% Mkt Share	3% Mkt Share	3% Mkt Share
Monthly Revenue per Access Line	\$45.00	\$45.00	\$45.00
Weighted Average Cost of Capital	0.17	0.17	0.17
Net Present Value	(\$841,182)	(\$821,507)	(\$802,484)
PUCO MARKET 3			
Years	5	7	10
Access Lines	3% Mkt Share	3% Mkt Share	3% Mkt Share
Monthly Revenue per Access Line	\$45.00	\$45.00	\$45.00
Weighted Average Cost of Capital	0.17	0.17	0.17
Net Present Value	(\$394,033)	(\$408,940)	(\$424,376)
PUCO MARKET 4			
Years	5	7	10
Access Lines	3% Mkt Share	3% Mkt Share	3% Mkt Share
Monthly Revenue per Access Line	\$45.00	\$45.00	\$45.00
Weighted Average Cost of Capital	0.17	0.17	0.17
Net Present Value	(\$739,395)	(\$697,829)	(\$656,455)

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Schedule KJH-2 Page 1 of 4

Cincinnati Bell Telephone Summary of Mass Market UNE-Ls

PUCO	MSA	Wire Center	CLLI code	CLEC serving mass	Number of	Number of	Number of
Market			(a)	market customers	Residential	Business Mass	Mass Market
				with self-provided	Customers	Market	Customers
				switching	(a)	Customers	(b)(c)
				(a)		(a)	

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Attachment KJH-1

Testimony and Affidavits of Karen Hardie as of February 2004

March 25, 1982	United Telephone	81-627-TP-AIR
February 23, 1983	Central Telephone	82-636-TP-AIR
February 7, 1986	Cleveland Electric Illuminating	85-675-EL-AIR
December 14, 1989	Columbia Gas of Ohio	89-616-GA-AIR
October 15, 1990	Cincinnati Gas & Electric	90-390-EL-AIR
December 16, 1991	Columbus Southern Power	91-418-EL-AIR
December 18, 1991	Cincinnati Gas & Electric	91-410-EL-AIR
January 22, 1993	Ohio Energy Strategy Public Forum	
November 15, 1993	Western Reserve Telephone	93-230-TP-ALT
February 2, 1998	U.S. Telco	97-397-TP-ACE
September 20, 1999	Prepaid generic/public policy issues	98-1466-TP-ACE et al
December 28, 2000	Ameritech Ohio service quality COI	99-938-TP-COI
August 30, 2002	Sprint elective alternative regulation	02-2117-TP-ALT
October 29, 2002	CenturyTel of Ohio elective alternative regulation	02-2612-TP-ALT
January 30, 2004	CenturyTel of Ohio elective alternative regulation	04-62-TP-ALT

STATE OF OHIO

COUNTY OF FRANKLIN

The undersigned, being of lawful age and duly sworn on oath, hereby certifies, deposes and stated the following:

I have caused to be prepared the attached written affidavit in support of the Ohio Consumers' Counsel in the above referenced docket. This affidavit is true and correct to the best of my knowledge, information, and belief.

Further Affiant sayeth not.

Karen J. Hardie, Affiant

Karen J. Hardie

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Subscribed and sworn to before me this 29th day of September 2004.